UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/789,920	02/27/2004	Dmitry Noraev	018638-04-0156-01	8891

7590	02/08/2005

Daniel H. Golub
1701 Market Street
Philadelphia, PA 19103

EXAMINER
HAMILTON, LALITA M

ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 02/08/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed
  after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any
  earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on *18 November 2004*.
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is
    closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) *14-29* is/are pending in the application.
      4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) *14-29* is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
      Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
      Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
      a) ☐ All b) ☐ Some * c) ☐ None of:
      1. ☐ Certified copies of the priority documents have been received.
      2. ☐ Certified copies of the priority documents have been received in Application No. _____.
      3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage
          application from the International Bureau (PCT Rule 17.2(a)).
      * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
    Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail. Date _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Summary

On August 23, 2004, an Office Action was sent to the Applicant rejecting claims

1-13. On November 18, 2004, the Applicant responded by canceling claims 1-13 and

adding new claims 14-29.

Oath/Declaration

The objection has been withdrawn.

Specification

The objection has been withdrawn.

Claim Rejections - 35 USC § 112

The rejection has been withdrawn.

Claim Rejections - 35 USC § 101

The rejection has been withdrawn.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that

form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 14-29 are rejected under 35 U.S.C. 102(e) as being anticipated by

Seaman (US 2004/0098327).

Seaman discloses a method and corresponding system for trading and using

contingent convertible securities comprising creating via software stored on a computer

a debt security providing a fixed income return for a pre-set period of time that further

provides an equity conversion arrangement for a select underlying equity security based

on future contingent events and creating via software stored on said computer a

derivative instrument coupled to said debt security providing an option to purchase

shares at a select price at a future date, wherein said derivative instrument is itself

contingent and may be canceled prior to said future date and payment for said

derivative instrument is provided on an installment basis, with future payment

obligations extinguished upon cancellation (fig.2-all; p.2, 21-22; p.3, 24-31; and p.4, 44);

the debt security is a convertible bond (fig.2-all; p.2, 21-22; p.3, 24-31; and p.4, 44); the

underlying equity security is for equity in an issuer for said convertible bond (fig.2-all;

p.2, 21-22; p.3, 24-31; and p.4, 44); the future contingent event is matching a price of

said underlying equity to a pre-set value (fig.2-all; p.2, 21-22; p.3, 24-31; and p.4, 44);

derivative instrument is a callspread option having a strike price equal to a conversion

price of said convertible bond (fig.2-all; p.2, 21-22; p.3, 24-31; and p.4, 44); managing

investment vehicles configured to alter equity dilution on select debt instrument, a data

input and storing platform in communication with information relating to equity-linked

securities including total amount, yield, and conversion price of said securities, a

processor connected to and in communication with said input and storing platform for

receiving said information and selectively creating an investment vehicle, wherein said

investment vehicle favorably alters risk of equity dilution by coupling a security to a

callspread option, and said processor further provides pricing and hedging information

for output to a system user wherein said callspread option is funded by a cancelable

payment stream (fig.2-all; p.2, 21-22; p.3, 24-31; and p.4, 44); at least some part of

said payment stream is a reversible swap of coupons from said security, in exchange

for a lowered, effective conversion price (fig.2-all; p.2, 21-22; p.3, 24-31; and p.4, 44);

output includes a hedging position determined from said callspread option (fig.2-all; p.2,

21-22; p.3, 24-31; and p.4, 44); software stored on said system configured to create and

manage an arrangement with an investor of an asset-linked convertible security having

associated therewith a conversion price for an asset linked to said asset-linked

convertible security, and software stored on said system configured to create and

manage a payment stream extending for a select period into the future, said

arrangement comprising a reversible swap for said payment stream in exchange for a

lower effective conversion price (fig.2-all; p.2, 21-22; p.3, 24-31; and p.4, 44); asset is

equity (fig.2-all; p.2, 21-22; p.3, 24-31; and p.4, 44); security is a debt instrument (fig.2-

all; p.2, 21-22; p.3, 24-31; and p.4, 44); payment stream comprises coupon payments

for said debt instrument (fig.2-all; p.2, 21-22; p.3, 24-31; and p.4, 44); lower effective

conversion price is accomplished by a callspread option on said equity (fig.2-all; p.2, 21-

22; p.3, 24-31; and p.4, 44); electronically receiving securities related data, based on

said securities related data, electronically identifying a new issue, electronically

receiving data related to said new issue, wherein said data related to said new issue

comprises underlying equity data and dilution parameters, electronically calculating

callspread terms based on said data related to said new issue, electronically calculating

installment terms based on said data related to said new issue and said callspread

terms, and electronically storing said callspread terms and installment terms (fig.2-all;

p.2, 21-22; p.3, 24-31; and p.4, 44); electronically retrieving stored callspread terms and

prior environment parameters electronically receiving current environment parameters,

electronically calculating hedge data based on said callspread terms and environment

parameters, and electronically storing said hedge data (fig.2-all; p.2, 21-22; p.3, 24-31;

and p.4, 44); and electronically adjusting said hedge data (fig.2-all; p.2, 21-22; p.3, 24-

31; and p.4, 44).

Response to Arguments

Applicant's arguments with respect to claims 14-29 have been considered but are

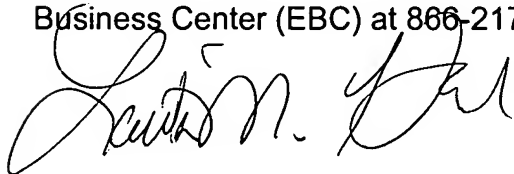moot in view of the new ground(s) of rejection.

Conclusion

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Lalita M Hamilton whose telephone number is (703)

306-5715. The examiner can normally be reached on Tuesday-Thursday (8:30-4:30).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number

for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free).

LMH